INTERNATIONAL DEMOGRAPHICS

CONSUMER ■ TRENDS ■ AND ■ MARKETS ■ ABROAD

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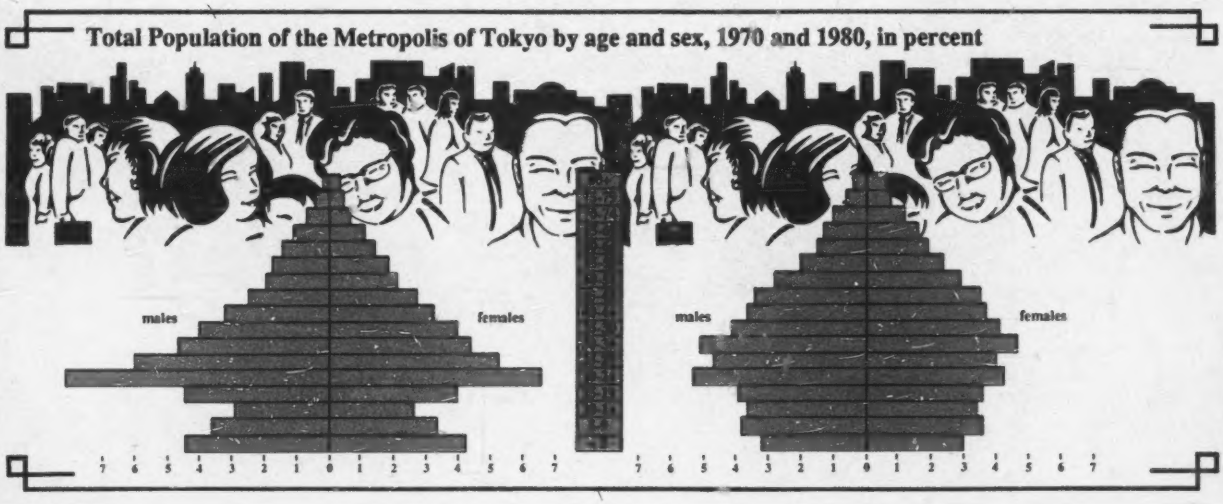
Total Population of the Metropolis of Tokyo by age and sex, 1970 and 1980, in percent
males
females
males
females
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7 6 5 4 3 2 1 0 1 2 3 4 5 6 7
Illustration by Diana Souza

AREA PROFILE

The Metropolis of Tokyo

In a land noted for its breathless pace, Tokyo leads the nation in almost everything except arable land. No city in Japan has more people, money, power, or influence.

The Tokyo Metropolis alone houses one out of every ten Japanese and a crushing one out of every four when surrounding areas are included. Two million commuters swell its day population jamming railways and connecting subway lines. Tokyo, no wonder, accounts for a high percentage of Japan's income and industrial production.

Tokyo sets the trend for the Japanese. In fashion, enterprise, social attitudes, or lifestyle, as Tokyo goes, so goes the nation.

Japan's voracious reading, listening, and TV-watching appetite is nourished on basically Tokyo fare. Virtually all of Japan's important media originate in Tokyo. The five national newspaper giants--the *Yomiuri* , the world's biggest newspaper with a circulation of 13.6 million, the *Asahi* (12.1 million), the *Mainichi* (6.9 million), the *Sankei* (3.1 million), and the *Nihon Keizai* (3 million)--are headquartered in Tokyo. They publish essentially the same newspapers as their Tokyo editions (with a page or two of regional or local news) throughout the nation.

Japan's five major TV stations, all based in Tokyo, produce almost all the TV programs shown on the nation's 99 commercial stations. Programming for Japan's more than 50 radio stations follows Tokyo's lead. Tokyo is also home to Japan's high-quality programming, non-commercial NHK--the world's largest and best-funded public broadcasting station. It is viewed by Japan's nearly 100 percent literate audience as much as all five commercial stations combined.

Almost all books sold by Japan's $3 billion a year book publishing industry and it's 2,500 monthly magazines are published in Tokyo.

With Japanese adults in 1981 on a daily basis reading newspapers on average for 35 minutes, watching TV

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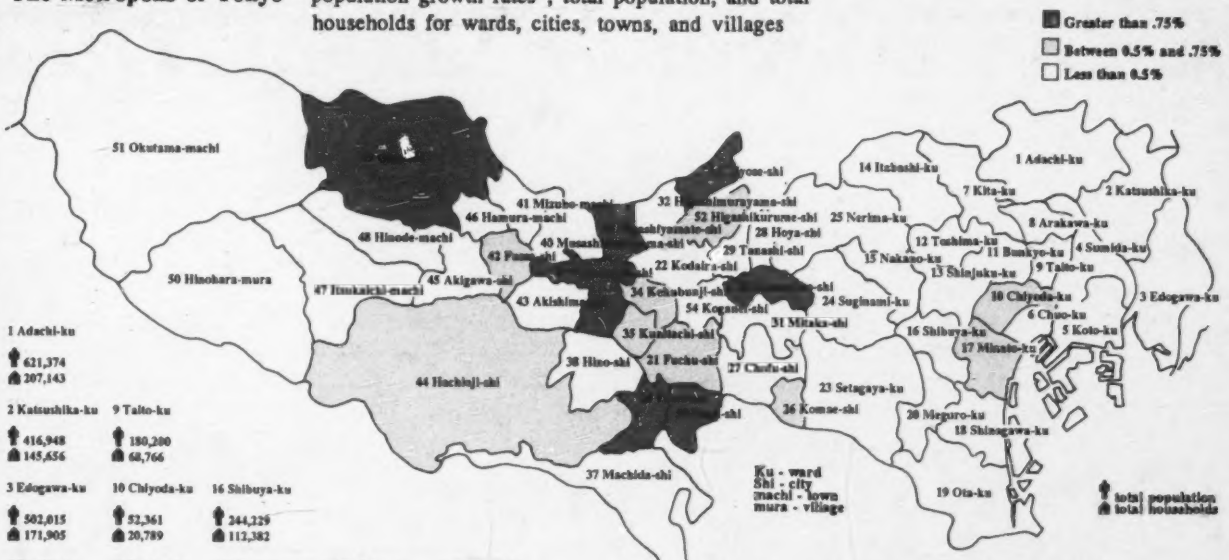
THIS MONTH: TOKYO

The Metropolis of Tokyo population growth rates*, total population, and total households for wards, cities, towns, and villages



*The average growth rate for the Metropolis of Tokyo is 0.5%

2 hours and 17 minutes, listening to the radio 44 minutes, and reading magazines 41 minutes, Tokyo's enormous persuasive power fosters increasingly homogeneous attitudes and lifestyles in a culture already famous for its deeply rooted sense of conforming to the norm.

Ever since 1868 when Tokyo became the Emperor Meiji's new home and modern Japan's capital, it has been the center of the nation's economic growth and social change. The Information Age with its resultant movement of the workforce away from the industrial sector to the service and retail sector began its transformation of Japan in Tokyo nearly two decades ago. Tokyo's quiet, yet relentless women's revolution coupled with its new breed of Japanese youth has signaled drastic lifestyle and attitude changes for all Japan that older Japanese both bemoan and fear.

A CHAOTIC CITYSCAPE

All of this conjures up a city of glittering steel-and-glass skyscrapers. Tokyo does have a rapidly high-rising cityscape, especially in its Shinjuku, Shibuya, and Marunouchi sections. But not all of Tokyo is tall and modern. On the contrary, Tokyo's real face--the neighborhoods where millions of Tokyoites live and work--is a chaotic hodge-podge of mostly one-to-six-story dwellings, small shops, and industrial enterprises concentrated in narrow, crowded streets.

Nowhere is Japan's highly industrialized democracy so evident as in its neighborhoods. Low-rise apartment houses stand shoulder to shoulder with more costly detached residences. Gas stations back up to the enclosed gardens of small shrines. As in all Japanese cities, few differences exist in the income or educational level of the residents in the majority of Tokyo neighborhoods.

INTERNATIONAL DEMOGRAPHICS

PUBLISHER: *Doris Walsh* EDITOR: *Denise Rusoff* ART DIRECTOR: *Carol Terrizzi*

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Streets, except for major thoroughfares, twist and turn following centuries-old patterns even though much of the city was destroyed by fire in the Great Kanto Earthquake of 1923 in which more than 700,000 houses burned to the ground. Street addresses are determined by when structures were built rather than their locations, further complicating finding a specific location in back streets.

Crammed between some of the densest housing in the world are the *shotengai*, narrow shopping streets lined with mostly small, specialized, and individually owned Mom-and-Pop stores. Here and there are sprinkled a few supermarkets, superstores, and convenience stores. In Japan, where business comes to the consumer's doorstep, these streets are the scenes of everyday consumer activity.

Tokyo's headlong rush toward commercial success coupled with complicated land-use laws and real estate prices has left many neighborhoods sorely lacking in such social and civic details as parks, playgrounds, and sidewalks. Outlying suburban areas, though less constricted, share these problems.

All this leaves Tokyo neighborhoods cluttered and claustrophobic. With the recent appreciation of the yen and dropping oil prices, however, the Japanese government is calling for increased public-works programs, offering some hope that these conditions will improve.

POPULATION GROWTH AND DENSITY

As of June 1, 1985, the Tokyo Metropolis reached a record 11,892,016 people, making it,when combined with neighboring Yokohama, the world's largest metropolitan area. Tokyo's population in this century has increased steadily registering significant losses only during the last year of World War II when half its population was either killed by or fled American bombing of the city and during the year of the Great Kanto Earthquake (1923) when an estimated 100,000 people were killed and millions displaced.

By 1952, Tokyo regained the population lost during 1945 and began its steady climb. The first baby-boom between 1947 and 1949 reached child-bearing age in 1971 through 1973 bringing about a second baby boom. Future population changes in Tokyo will be influenced drastically by trends set by these postwar baby-boom generations. As these generations pass through each age bracket, they have a marked economic and social impact.

In recent years, Tokyo's population growth, similar to that of other metropolitan areas in developed countries, slowed due to a fall in the birthrate from a postwar high of 31.5 per thousand in 1947, to 19.9 per thousand in 1972, and 11.4 per thousand in 1983.

The Tokyo Metropolis has 23 wards, 26 cities, 6 towns or villages, and 13 major islands. Tokyo's population divides evenly with roughly 5.9 million males and 5.8 million females. Its nearly 4 and a half million households share 2,160 square kilometers, making Tokyo's population density an average of 5,436 persons per square kilometer.

The lion's share of households (74 percent) exist in the city's wards. Density per square kilometer in the city's wards was a crushing 14,023 persons in 1983. Tokyo's cities, mostly located in outlying areas, fared better with an average of 4,462 persons per square kilometer. Tokyo's villages and towns in Nishitama County at the city's most western edge pared down to 275 per square kilometer; its islands, 82 per square kilometer.

Within the city's wards, Toshima Ward edged out Nakano Ward by only 2 persons at 21,844 people per crushing square kilometer for the densest area in Tokyo. Shinjuku Ward (19,005) followed closely with Meguro Ward (18918) not far behind.

Only the outlying wards and the wards to the east of the Edo River and along Tokyo Bay's port area, as well as the city's business and financial center--Chiyoda Ward--which includes the spacious Imperial Palace grounds, had a population density of less than the average.

The wards that cluster around the city's center held 71 percent of its population in 1983, but only 27 percent of its land mass. It cities, towns, and villages, which lie on the western outskirts of the city, held 28 percent of the population in 54 percent of the land. The remaining 19 percent of the land is accounted for by islands with a total population of 33, 234 in 1983.

THE AGING OF TOKYO

With migration to Tokyo taking a U-turn--Tokyo lost about 8,000 persons to other prefectures in 1983--and the

COMPARATIVELY SPEAKING

Consumer prices in Japan increased 3.9 percent annually between 1979-1984 as compared to 7.4 percent in the United States.

Illustration by Diana Ayuso

COMPARATIVELY SPEAKING

low birth and death rates of the early 1980s remaining fairly constant, the pace of Tokyo's population growth should slow with population peaking around 2000, then heading gradually for stability. As a result, Tokyo's population will show a rise in the proportion of elderly people as those already born shift into advanced age, while the number of births diminish. Tokyo's *dankai-no-sedai*, or lump (baby boom) generation, will move into middle- and old-age by the year 2000, adding momentum to the aging of society.

At present, about 50 percent of the Tokyo population is in the age groups from 25 to 59. Tokyo's youth, aged 0 to 14, numbered 2.2 million in 1983. Those in their prime, aged 15 to 64, totaled 8.3 million, and the old, aged 65 and up, nearly a million. Although the population is still relatively young, the older age groups will rapidly expand in coming years as the large percentage of the population in the middle-age groups move upward into old age. This trend will be reinforced by the continued lengthening of the average life span.

The share of those aged 65 or over is projected rise to 15.6 percent by the year 2000 from 9 percent in 1980. One out of every 6 people in Tokyo will be aged 65 or over in the year 2000, compared with one out of every 11 in 1985.

The Tokyo Municipal government as well as industry planners are fittingly worried over all these graying hairs. The aging of Tokyo's population, as for all of Japan, will change the balance between the productive population and the dependent population.

Until 2000, the increase in people aged 65 or over will be counterbalanced by the number of people in the younger generation (those under 20). The productive population will increase slightly until around the year 2000, from 60 percent in 1980 to 61 percent in 2000. However, by 2015, the productive population will decrease to 55 percent. As the productive population supports the economic life of other people, three workers (in the year 2015) instead of the current eight will split the cost of supporting one retired person in 2015. Forty percent of Tokyo's GNP will be needed to support its aged.

The aging of Tokyo presents looming problems to a society used to expansive growth. In less than 40 years, the country with the lowest proportion of elderly in its population of any advanced country will have the highest. Already, loneliness and isolation of old age settles in on Tokyo's aging. As the Japanese household gets increasingly smaller, widowed groups of old people stage marches demanding more services from the Ministry of Health and Welfare in Tokyo.

In an effort to stave off the effects of an aging workforce, the Japanese government offers subsidies to companies that raise their compulsory retirement age to 60.

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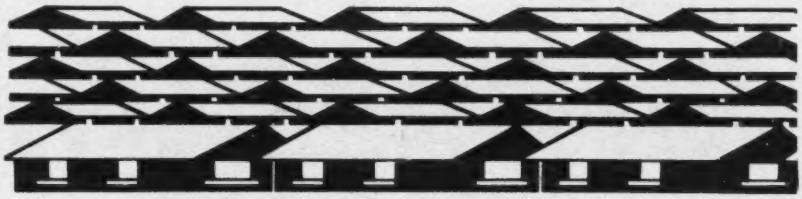

In 1984 the Japanese built and sold twice as many new homes per capita as were built and sold in the United States.

Illustration by Diana Souza

COMPARATIVELY SPEAKING

HOUSING

With an average population density of 5,436 people per square kilometer in the Tokyo area, housing is an ongoing problem. The number of households in Tokyo registered over 4 million in 1983, up from about 3.5 million in 1973.

The average dwelling went from 3.08 rooms in 1973 to 3.45 rooms in 1983. Although still small by comparison to dwellings in most developed countries, noticeable strides have been made since 1968 when the average dwelling of a mere 350 square feet--or the equivalent of one or two modest-sized rooms in an American development house--housed four people. By 1983, Tokyo dwellings averaged nearly twice this size due to a sharp rise in housing starts during the economic go-go years of the 70s.

Owner-occupied homes in Tokyo averaged 4.9 rooms with 968 square feet of floor space in 1983, up from 941 square feet and 4.62 rooms in 1973. Rented dwellings averaged 2.31 rooms per dwelling with 354 square feet in 1983, up from 2.08 rooms in 1973.

Even though the cost of land around Tokyo increased twentyfold from the mid-1950s to the 1970s and housing starts plummeted after the 1973 oil crisis, the Japanese home building industry remained healthy due to the Japanese penchant to save, favorable financing--an employee usually taps his employer, bank, and government--and the strong desire for homeownership.

Housing starts in Tokyo rose sharply from 1975 until 1978 dropping steeply and continuing to decrease until 1982. However, the overall rate of new housing starts has remained relatively high by international standards. In 1984, the Japanese built and sold twice as many homes as were built and sold in the United States.

Tokyo's housing stock has grown

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INSIDE INFORMATION

Tokyo's Quiet Revolution

Tokyo remains the hotbed of a quiet but relentless revolution that started in the early postwar years--that of the urban, educated, middle-class woman. Quiet because open rebellion in Japan means becoming an outsider--the unthinkable in a society where an individual cannot achieve real stature or success except as a part of a group. Relentless because the mechanization of the home, effective birth control, and impressive increases of women's participation in higher education, the workforce away from family enterprises and farms, and the community have created a new Japanese woman, one who increasingly aspires for significant achievement outside the home.

A 1984 survey conducted by the Tokyo Municipal Government on women's social status revealed that two out of three Tokyo women consider that their social status has been raised in the past ten years, while three out of four still point out remaining sexual discrimination against women. Seventy-eight percent of the women polled saw improvement in their social status in the home, 77 percent in the workplace, and 63 percent in generally accepted ideas, customs, and practices. However, only 53 percent thought that they had gained status in education or in the political world.

Perhaps the most movement in the world of Japanese women has occurred in their work. Women at work are nothing new to the Japanese. Almost 40 percent of the total workforce has been made up of women for decades, mostly as farm laborers and workers in family businesses. What is new is where they work. From 1950 to 1980, paid women employees tripled from just over 4 million to 13.5 million, with a rate of increase double that of men since 1975 due to skyrocketing labor demands in the economic miracle years of the 1960s and 1970s, the declining birthrate, and increased participation by young people in higher education. Now more than half of all women over the age of 15 hold jobs; 57 percent of them are married.

No longer the stereotypical young, unmarried, short-term worker, the average age of women workers was 34.9 in 1980, up from 23.8 in 1949 and 29.8 in 1970. The percentage of employed, nonagricultural women who are married rose sharply from only 8 percent in 1952 to 67 percent in 1979 (including the widowed or divorced); and the average term of service with one employer rose from 3.2 years in 1952 to 6.3 in 1982 compared with 10.8 for men.

The age distribution of women workers mirror that of other developed countries with a bulge at the 20-to-24-year-old group, a trough for those in the childbearing years of 25-to-34, and another bulge at the 40-to-early 50s.

Women over 35 are returning to work in increasing numbers for reasons of both economic necessity and personal fulfillment. Those over age 35 find themselves with their children in school, educated minds, and a long stretches of free time before them. Of the nearly 15 million women who work, about 5 million hold down part-time jobs. An astounding 91 percent of part-time workers in Tokyo in the 1970s were women over 35. More than 80 percent were married; more than 70 percent had school-age children.

The surge in women workers particularly into part-time jobs has solved problems while it has created others. Housewives can both fulfill household duties and provide supplementary income. The typical part-time worker--a housewife in her 30s or 40s who is doing a simple production, clerical, sales, or service job in a small- or medium-sized business--now earns nearly 10 percent of total household income. In 1982, more than 86 percent of housewives worked to supplement family income, mainly to make higher education possible for their children.

However, part-timers have legitimate complaints of long hours, low pay, and a lack of benefits. A 1984 Sangyo Research Institute survey found that the typical female part-timer has worked for 3.5 years, averaging 6 hours a day, 5.3 days a week. Her average monthly wage of only about $2.35 an hour was one-third that of full-time women employees. Adding in less vacation, smaller bonuses, and little if no health, unemployment, and pension benefits, part-timers add up to what many Japanese analysts are terming an essential feature of the Japanese workforce--cheap labor.

A 1983 government survey found that married part-timers between the ages of 35 and 54 now account for a quarter of the labor force and 60 percent of all female employees. At present 80 percent of all Japanese businesses depend to some degree on part-timers. And with continued vigorous growth of the retailing and service industries coupled with Japan's increasingly aging population, part-timers will most likely continue to be a labor bargain in times of economic upturn.

In general, Japanese women earn far less than their male counterparts. In 1983, their average monthly wage of $770 was 52 percent of the $1,470 men earned, up however from only 42.8 percent that of men's earnings in 1960. About 2 million of Tokyo's 11.6 million residents are working women aged 25 and up earning an average of $10,000 a year.

Despite a national consensus on the rising status of women, the majority of working women occupy low-level, low-paying jobs largely because women routinely quit work in their mid-20s to raise families. Traditionally, they have been expected to take *koshikake* (an unpadded chair comfortable only briefly) jobs, or temporary seats. However, due to a shortage of new male entrants in the labor force, young women are now entering such previously all-male professions as computer programming. Some are even beginning to hold influential positions in Japan's fast-growing service and retailing sector.

Although nearly twice as many women graduate from college today as ten years ago--some 96,000 in 1981--a 1981 study by the Women's and Minor's Bureau of The Labor Ministry reported that 73 percent of companies recruiting university graduates had a policy of hiring only males. Another more recent survey found that of the 990 companies surveyed, 73 percent did not plan to hire any university female graduates in 1985. •

to accommodate its burgeoning population. In 1983, Tokyo's over 150,000 housing starts outpaced those of any other prefecture in Japan. Of these, nearly 44 percent were rental homes. The Tokyo wards registering the most starts were Setagaya with 13,137; Nerima, 9,647; Suginami, 7501; and Ota, 7239. In the outlying districts, Hachioji City, Machida City, and Chofu City had the most housing starts.

Of Tokyo's 4,028,600 dwellings in 1983, 44 percent were owner occupied, compared to 39 percent just ten years earlier. Of the nearly 2.25 million dwellings for rent, the majority--83 percent--were privately owned. Only 10 percent were publicly owned, mostly found in Adachi, Koto, and Kita Wards. Another 7 percent were owned by public corporations for the use of their employees and their families.

Tokyo, for the most part, is a vast sprawling city with a low profile. Thirty-eight percent of all Tokyo dwellings are detached houses; 58 percent are apartment houses of which only 19 percent are over six stories high; and 4 percent are tenement houses.

With land prices skyrocketing beyond the income levels of average Tokyoites, low-priced, pre-fab houses are gaining popularity. In 1980, a 700 square foot Tokyo home sold for about 5 or 6 times the annual income of a highly paid industrial worker. Improved land, which costs an average of $250 a square foot in Japan versus $7 to $10 in the U.S., accounts for 70 percent of the cost of buying a new home.

No wonder then that prospective home owners want to cut down on building costs. Two- and three-storied prefab houses with separate facilities are in strong demand as a cost-effective way to use a tiny plot of exorbitantly priced land to house a 2- or 3-generation family. Prefab houses now hold about 15 percent of the housing market, with their share expected to rise.

Homeowners upgrading to bigger or better homes spend the top end of the range of about $70,000. Younger new homeowners buy more modest models at around $48,000.

Besides from price, many Tokyoites buy prefab homes for their Western styling--gables, patios, picture windows on the outside; carpeted rooms, separate bedrooms, dining rooms, and living rooms instead of the traditional multi-purpose rooms on the inside.

Not only prefab houses, but other new homes retain traditional post-and-beam construction while donning Western exteriors

TIPS ON T R A D E

Is China your market? How to find out

The China market is no longer a mystery, according to Bernard E. Conor, an international consultant specializing in trade with the People's Republic of China. Gone are the days of tedious haggling over contract language and endless frustration with misunderstandings bred from cultural differences.

With an acceptance of international business practices and procedures and a commitment to relax restraints on foreign trade, China is swinging its doors wide open. But are these doors your company should venture through?

Conor suggests that before getting your foot in the door it's wise to seek professional help from any of the many public and private organizations now offering assistance to those interested in trade with China. Trading with China takes considerable commitment, time, and energy, so careful preparation pays off.

Luckily, in contrast to just a few years ago, there's plenty of help within easy reach for businesses, big and small, interested in the China market. The following list only partially covers organizations and individuals giving assistance to businesses and entrepreneurs looking for opportunities in the PRC.

• **The U.S. Department of Commerce** offers an entire range of service from disseminating general information on Chinese laws and regulations on foreign investment to one-on-one counseling with businesses interested in trade with China. Industry specialists are available to talk with you about opportunities for your product. The department also organizes technical sales seminars, executive trade missions, and trade shows. For more information on how the department can help you, contact: U.S. Department of Commerce, International Trade Administration, Washington, DC 20230.

• **Arthur Andersen & Co.** offers both consulting services and tax services. They maintain an office in Beijing, an advantage to those businesses unable or unwilling to spend the $250,000 yearly price tag for renting an office in China's capital. Arthur Andersen & Co. assists clients in joint venture negotiations, performs and assists in feasibility studies, and assists in contract reviews, training financial and accounting personnel, economic consulting, operational reviews, and tax compliance and consultation.

• **Ernst & Whinney's China Division** assists clients in their efforts to invest in and trade with China, on matters concerning accounting, auditing, tax, management consulting, and others. They also maintain an office in Beijing as well as one in Guangzhou. Contact Ernst & Whinney, International Operations, 153 East 53rd St., New York, NY 10022; telephone (212) 889-9100.

• **Kamsky Associates, Inc.** is a consulting firm specializing in trade with China. Kamsky Associates offers a wide range of consulting and on site services, such as assessing market potential, arranging for and guiding first-hand looks at Chinese factories, helping negotiate and execute contracts, and following up on business deals. Contact Kamsky Associates, Inc., 70 Pine St., New York, NY 10270.

• **Small Business Service Bureau, Inc.** has a membership of over 38,000 small and mid-sized businesses. SBSB offers Mom-and-Pop companies reasonably priced help. It arranges factory and China visits, makes sure to match companies with Chinese counterparts so that all parties can meet their commitments, assesses a company's chances and makes appropriate recommendations, and recommends a consulting firm with onsite services in China to conduct day-to-day operations after a deal is struck. Contact Mr. Francis Carroll, President,Small Business Service Bureau, Inc., 544 Main St., Worcester, MA 01601; telephone (617) 756-3513.

• **Touche Ross International** is a public accounting, tax, and management consulting organization, with offices in Beijing. Touch Ross's China Consulting Services Department provides consulting services, including introducing clients interested in investing or selling in China to their appropriate Chinese counterparts. The department does market research, feasibility studies, negotiations, translations, and provides interpreters. Contact Touche Ross International, One World Trade Center, New York, NY 10048; Telephone (212) 839-6600.

• **Ms. Mary Wadsworth-Darby** is an international consultant specializing in China. Although still young, she is considered an "old China hand." She can be contacted at 25 W. 81st Street, Apt. 8-C, New York, NY 10024; telephone (212) 580-8465.

• **Mr. Bernard E. Conor** is an international consultant specializing in China. He can be reached at 667 Perkins Road, Greenwich, CT 06830; telephone (203) 661-1446.

and interiors. More expensive models have larger square footage (two stories with four bedrooms on the second floor is common) and offer a wide range of design options. Kitchen-family room combos that bring the homemaker and family together are becoming increasingly popular. Amenities such as whirlpool baths, tilework, and fireplaces are becoming more common.

Rapid growth in expenditures on housing and home furnishings (doubling from 1972 to 1978) indicates the strong urge for improved home environments. Continued expansion of the home furnishing and electric appliance market is anticipated due to a rise in the purchasing power of the surging yen and continued interest in Western styling in home interiors.

HOUSEHOLDS

The typical Japanese household of married couple and two children made up nearly one-quarter of all Tokyo households, numbering 916,300 in 1983. However, single-person households (1,128,600) predominated. Although only 16 percent of the total nationwide, single-person households in Tokyo accounted for 28 percent of all households in 1983, of which only 9 percent were made up of people over 65.

The predominance of single-person households reflects in part the presence of near 700,000 college and university students and growing numbers of working bachelors living away from home, although the majority of young singles still live with their parents until marriage in their mid- to late-20s. Also with more money to spare, both young and aged people are increasingly choosing to live alone rather than live with unrelated persons or relatives other than their parents or married children.

Two-person households made up 19 percent of the total, of which 69 percent, or 533,400 in 1983, were married couples. The 697,600 three-person Tokyo households were usually composed of a married couple and child, or older couple with an aged parent. Five-person and six-person households in 1983 made up 9 percent and 4 percent of all Tokyo households respectively.

Tokyo, as will all Japan, should have a significant increase in one-person households because of more widowed choosing to live alone. In particular, the number of aged women living alone will reach a level 2.5 times the present level by the year 2000 and 3.7 times by 2015. The increase in the number of ordinary households should slacken, reflecting slowed population growth, with the shares of both three-generation family households and nuclear family households declining due to an increasing share of one-person households.

As in all Japan, close to half of all family households are establishing homes away from their parents. Only about 10 percent of Tokyo's households now accomodate three generations under one roof. The average number of persons per Tokyo household was 2.78 in 1983 (down from 3.01 in 1973), as compared to 3.76 for all Japan.

GOING SHOPPING

Just one look at a Tokyo *shotengai* (neighborhood shopping street) or department store tells all when it comes to who spends the yen. Clearly it is women and, to a lesser degree, their children. Roughly 90 percent of department store customers are said to be women. Even housing ad flyers in major newspapers are targeted to women, not their husbands.

Japanese men traditionally hand over their paychecks to their wives. Women purchase most basic necessities of life with men becoming involved only when purchasing cars, stereos, TVs, and sports and leisure goods.

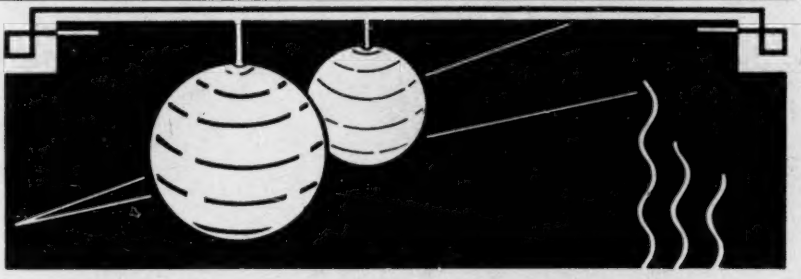
However, with more married women taking on part-time work, mothers are starting to rely on their teenagers to do some of the household shopping. As many as 60 percent of Japanese teens do some sort of household shopping on a regular basis.

Tokyo's women characteristically shop on a small scale, buying only what they can easily carry or tow. Off-street parking is limited and on-street parking nonexistent discouraging bulk-shopping by car.

Most Tokyo retail outlets are accessible by bicycle or foot, and department stores offer nationwide delivery services.

In Japan, the stores go to the consumer. Large retailers have small- to medium-sized branches in residential areas. Local stores continue to thrive with convenience stores, or small supermarkets open often around the clock, gaining

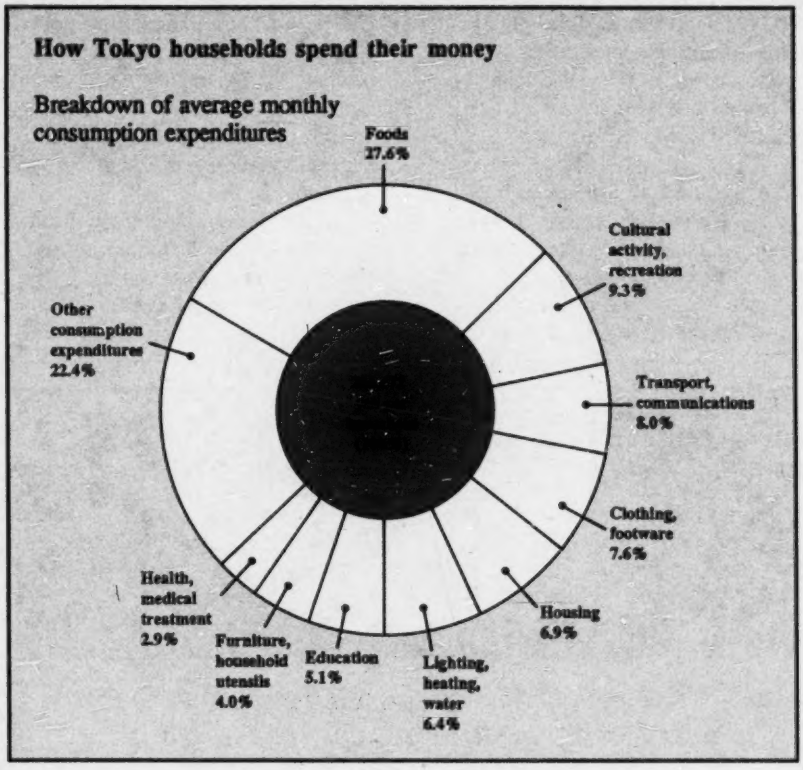
COMPARATIVELY SPEAKING



The proportion of household budget the average Japanese family spends on lighting and heating is about half that spent by its French, American, or English counterpart.

Illustration by Diane Sacco

COMPARATIVELY SPEAKING



popularity especially among young single students and workers. The growth in door-to-door sales and mail order is expected to rise although it is now at a low level of consumer confidence.

Housewives shop daily for food and household needs and although supermarkets have proliferated, small stores remain the major outlet for daily shopping needs. Tokyo has a high concentration of small, individually owned stores with an average number of employees of 3.5, compared to 5 in the U.S. and Britain.

HOW TOKYOITES SPEND THEIR YEN

As of the summer of 1985, the average Tokyo household spent about $1,225 per month, representing a real decline of 2.8 percent--the sharpest drop since 1973. However, with the yen appreciating and the government already talking about lowering taxes, household expenditure should rise in real terms.

The typical Tokyo household saves about 12 percent of its disposable income. The largest category of household expenditure in 1985 was food at nearly 28 percent. Cultural activities and recreation accounted for about 9 percent of monthly disposable income with transport and communications at close to 8 percent. Clothing and footwear purchases follow at 7.6 percent.

Spending patterns have changed drastically since the days of the "three sacred treasures"--refrigerator, vacumn cleaner, and clothes washer--and even more since the three C's--cooler (air-conditioner), color TV, and car. Now, with Japan's high rates of ownership of such consumer durables, marketers are increasingly involved in selling ways of life instead of products.

Product differentiation is becoming an increasingly important requirement. Isetan, one of Tokyo's largest department stores, for example, now markets goods targeted to young singles in its "Fresh Start" corner. This corner specializes in such goods as one-person rice cookers, miniature TVs, and reasonably priced beds and furniture of all styles and colors.

A selection of the most rapidly growing imports shows a trend toward faster expansion in items which have important discretionary expenditure components. Among nondurable goods, items for travelers expanded at almost 27 percent annually between 1973 and 1978, and publications, tapes, and records at 22 percent annually. Among durables, sales of automobiles expanded at 21.3 percent annually; watches, 16 percent; sporting goods, 7 percent; furniture, 18.5 percent; and electric appliances, 19.8 percent.

Priorities in spending for consumer goods tend to vary greatly with age, income, sex, and marital status in Japan. Two new types of spenders are beginning to emerge in the Tokyo area--young single workers and young married couples--with important implications for the future of imports.

THE YOUNG SINGLES

The Japan the rest of the world sees may be the ever-reserved, blue-suited businessman. But the new Japan walking around Tokyo wears ultra-fashionable clothes, spends mega-yen, and speaks its mind.

Concern is growing that today's young Japanese--having been brought up in comfort--cannot live up to the pace set by their famously workaholic elders. Their self-absorption, emphasis on private life, and easy-going lifestyle perplex older Japanese taught to uncomplainingly subordinate their personal interests to the achievement of collective purposes.

The new young Japanese would rather work to live than live to work. The new crop of workers are markedly less ready to submerge their personal ambitions and private lives to the success of the company. Practical, easy-going, and disturbingly money-minded, fewer than half of all male university students in a Japan Recruit Center survey conducted in 1980 hoped to work for one employer throughout their lives, compared to two-thirds in 1971. And a surprising one-third in

1980 said they wanted to start up their own businesses at sometime in their careers.

Results from a poll taken by the Prime Minister's Office surveying activities which make life enjoyable show a trend toward a more relaxed lifestyle and a diminishing commitment to work. The percentage of young men and women between 20 and 24 who found satisfaction in working and social volunteering declined markedly between 1971 and 1980. Only 20 percent in 1980 said working was a source of satisfaction as opposed to 29 percent in 1971.

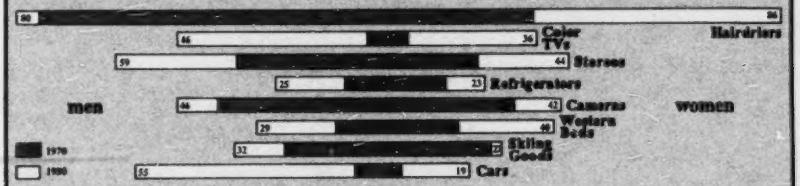
These new attitudes and behavior patterns of Japanese youth signify a deep and permanent change in Japanese culture and values. No doubt Japan's hedonistic turnaround has profound implications for the future of marketing in Japan. Already, market analysts see Japan's *seikatsusha*, or individual lifestyle enthusiasts, as the prototype of the future Japanese consumer. These new wave consumers buy products on the basis of design, or how well items fit their personal lifestyle. Gone are the days of keeping up with the Joneses or economic utility as king.

Although the Japanese population is rapidly aging--by the year 2000, the largest consumer group will be over 35--the singles market looks like the wave of the consumer future (as far as discretionary income expenditure goes). Single workers are the envy of budgeted married employees with families to support. The average monthly spending of single male adults on goods and services other than food and rent in 1982 was $191, compared with $175 for married men in 1980. Older workers earn more, of course, but are compelled to devote most of their income to family support.

Young working singles between 20 and 24 years spent roughly $220 a month--a third of their entry-level salaries--on food and housing. About another third of their income was spent on leisure, entertainment, cultural activities, and education.

What singles own

Diffusion of durable goods among 20-to-24-year-olds, in percent



Source: Economic Planning Agency

Thirteen percent was spent on clothing (nearly double that spent by the average Tokyo household) and only 5 percent on durables. Young singles saved 14 percent of their salaries.

Young working women who live at home with their parents are one of Japan's strongest consumer groups. With marriage increasingly delayed to between the ages of 24 and 27, they have a relatively large amount of discretionary income, spending nearly 15.8 percent of their total income on leisure.

Young adults between the ages of 20 and 24 are acquiring durables at brisker rates due to rapidly rising salaries. Over 50 percent of all young Japanese men owned cars in 1980 as compared to only 8 percent of them in 1970. Stereos, color TVs, cameras, room-sized refrigerators, and ski equipment purchases all showed marked increases in the same period. Women bought more Western beds than men, however.

Although both young men and women spent over one-third of their pocket money in the company of good friends, young women met their pals much more frequently , according to a survey taken in 1980. Young women got together with friends once a week to eat out, shop, and chat. Males tended to be more active with gambling, games, and sports ranking high on their lists of things to do when out with friends.

Imported items most likely to be already owned by young men are fountain pens, sportswear, and whiskey; among young women, perfume, cosmetics, handbags, and accessories.

THE YOUNG MARRIEDS

More and more young Tokyoites are opting for later marriages. Once married, many young women continue their careers until their first child is on the way.

These trends have contributed to the emergence of a Japanese version of the American yuppie. Young working couples, although saving for the purchase of home, car, and education of their children, often are able to spend a large share of their income on nonessentials.

As a result of combined incomes, young working couples can afford top-of-the-line imports. Travel and participation in sports has become increasingly common within this group.

SCHOOLING

The rigorous pace and pressure of Japan's primary and secondary schools are legendary. Students attend school 240 days a year, half days on Saturday (compared with 180 days in U.S. public schools). As if this is not enough, most students also go to *juku* , or cram schools, to help them pass comprehensive exams given at the end of sixth, ninth, and twelfth grades that track the best scorers to the best schools.

Education in all of Japan is compulsory through the ninth grade, with nearly 94 percent of students nationwide continuing on to high school. Over 35 percent of these graduates enroll in other forms of higher education.

The entrance exam for the nation's colleges and universities is the most crucial, as admittance to the best colleges and universities secures

Researching the European market

A country-by-country cost comparison

France is probably the most expensive Western European country to research. Belgium is among the lowest in cost, with the Netherlands and the United Kingdom coming in just above and just below average.

A comparative cost study by Peter J. Hayes of RBL, Ltd., London, drew on four databases and the costs of more than 700 individual jobs. The costs were adjusted to the U.S. dollar which was widely fluctuating at the time of the study. Hayes found that research costs remained relatively unchanged between 1982 and 1984 in four country groupings from most-to-least expensive.

The most expensive group included France, Switzerland, West Germany, Norway, and Italy. Average and just below average costs were found in the Netherlands, Denmark, Sweden, Spain, and the United Kingdom. Below average costs prevailed in Austria, Belgium, Finland, and Greece.

While West Germany ranked in the expensive group overall, when just qualitative research was considered, its costs were below average.

The table shows the countries ranked from most expensive to least expensive for both quanitative and qualitative research.

Another factor taken into account was the cost of the senior management personnel involved with projects. West Germany, the Netherlands, Austria, and France had high executive costs, while the United Kingdom and Greece had the least expensive costs for executive participation.

Countries such as Austria, Belgium, and Finland "manage to combine very high costs in this area with low prices," according to Hayes, because of the "presence of a relatively smaller number of senior, very experienced executives" whose production "is extremely high."

There is great variation among countries in interviewer fees. One reason is that in France and Sweden, research companies are expectred to pay "social costs"--social security and the like--for their part-time freelance interviewers. To a lesser extent, the companies pick up these costs in Finland, Denmark, and the United Kingdom as well. In addition to the U.K., where, even with social costs, interviewer fees are relatively low, other low-fee countries are Austria, Belgium, Spain, and Greece.

Low executive costs and low interviewer fees in the United Kingdom should mean lower costs overall, it seems, but Hayes explains that is not the case. He suggests that researchers in the U.K. pay greater attention to fieldwork quality and supervision, that they do not effect cost savings in design, analysis, and report writing, and that they tend to treat an extended interview like a group discussion--taking the same time to do it and analyze it with savings only on recruitment costs.

A more complete report on Hayes' study is available in a bound version of symposium proceedings, International Market Research, available for 80 Swiss Francs from ESOMAR (The European Society for Opinion and Marketing Research), J. Viottastraat 29, 1071 JP Amsterdam, The Netherlands; telephone (020) 64.21.41. Telex: 18535 esmar nl.

How they stand

Western European countries ranked by research costs for quantitative and qualitative jobs.

	Quantitative	*Qualitative*
1	Switzerland	France
2	France	Netherlands
3	Germany	Norway
4	Norway	Switzerland
5	Italy	Denmark
6	Sweden	Sweden
7	Denmark	Spain
8	Netherlands	Italy
9	United Kingdom	United Kingdom
10	Spain	Germany
11	Finland	Finland
12	Belgium	Belgium
13	Greece	Austria
14	Austria	Greece

Source: International Marketing Research, symposium proceedings. Paris: ESOMAR, 1984, p.22.

admission into the best companies after graduation. The University of Tokyo with its 3,000 places a year is the most prestigious school in Japan. Only success on the college entrance exams count. Other signs of intellectual excellence or well-connected relatives do not. About 38 percent of those taking the exams get into college on the first try. Most others succeed after a year of *juku* sessions.

Japan's rigid and highly competitive school system has led to not only the economic miracle but to problems as well. School phobia, characterized by fever, depression, autism, and suicide, accounts for over half of all mental illness among Japanese youngsters under 18.

The National Teacher's Union argues that students cannot develop their personalities fully in such a tightly controlled educational environment. They blame "examination hell" and the rote studying required to pass entrance exams for fostering rigid thinking, where all knowledge boils down to right and wrong with little allowance for deviation. This unwillingness to accept shades of gray has led to the current "bullying" crisis where students with the slightest sign of nonconformist attitudes are hounded, bullied, ostracized, and even pushed to suicide. The problem is so severe in Tokyo schools that the Tokyo Metropolitan Government recently mounted a "Let's Eliminate Bullying" campaign.

Nearly 3.25 million students (including college-level students) attend Tokyo's 5,083 schools. Most of the 1470 elementary schools and 837 junior secondary schools are public, while of the 461 senior secondary schools, just over half are private schools. Of the 1381 kindergartens (educating children from 3 to 5 years old), 1075 are private.

Nearly one million college-level students attend Tokyo's 102 colleges and universities, 81 junior colleges, and 358 special training schools. All but 13 colleges and universities are private; Tokyo's 12 national colleges and universities are the most prestigious.

Ninety-five percent of Tokyo's 168,904 junior high school graduates in 1983 went on to high school, equaling the nation's norm. Of Tokyo's 43,017 high school graduates in 1983 who entered the workplace, 30 percent entered the wholesale and retail trade, 31 percent the manufacturing industries.

Of Tokyo's 155,145 high school graduates, one-third went on to colleges or universities. Almost all of the advancing 22,496 male graduates entered college and universities (only 678 entered junior colleges) while only 43 percent of women graduates did so. Fifty-five percent of advancing women graduates entered junior colleges.

Twenty-eight percent of advancing graduates entered training schools and vocational schools. Thirty percent of all graduates entered the workforce full-time. Over the last 10 years, the advancement rate to university has declined at about the same pace that the advancement rate to special training schools has increased.

THE RANK AND FILE

Nearly six million workers or over one-tenth of Japan's workforce fuel Tokyo's industries. About half of Tokyo's rank and file in 1983 worked in the service and retail sector; just over 25 percent worked in manufacturing; 12 percent in transportation and communication; 9 percent in finance and insurance; and 8 percent in construction.

Monthly cash earnings for Tokyo workers averaged $1,531 in 1983 (up from $1,337 in 1979) nearly 20 percent more than the amount the average Japanese worker pockets nationwide.

Iron and steel workers received the highest monthly cash earnings, averaging $1,929 in 1983. Service workers came in second, drawing $1,585 a month. Workers making textile mill products and apparel and related products brought up the rear with $1,251 and $1,155 respectively.

CHANGING EMPLOYMENT

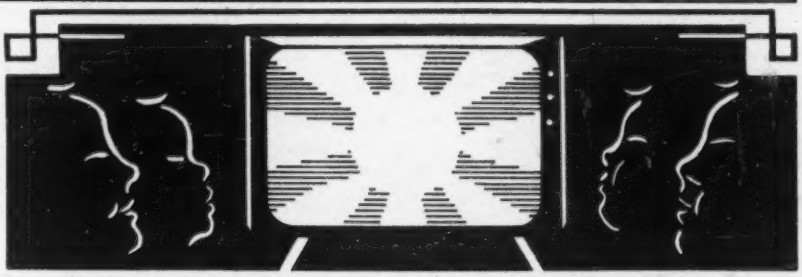
Until the oil crisis slowed Japan's accelerating growth, there were more jobs to go around than workers to fill them. Now, with Japanese industrial corporations rapidly automating to cut payroll costs, job shortages are chronic with no relief in sight. Nationwide, manufacturing workers declined from 14.4 million in 1973 to 13.7 million in 1980. By 1990, when the children of the first baby boomers begin to glut the job market, Japan will face a former unknown--unemployment. With more job seekers looking for work than ever before, many will find closed doors.

To absorb new entrants into the job market, government business planners recommend increasing days off from 101 days a year to 140 days a year by switching to a five-day work week, extending Golden Week holiday from 4 days to a full week, and encouraging workers to take their full annual vacations. Another plan is to encourage training workers as specialists instead of the generalists who now predominate on company payrolls. This should help facilitate job hopping, a former no-no in Japan's "company-man" workplace.

Another tack is to spread work among more people by encouraging job-sharing and part-time work. Planners now recommend that up to a third of a company's total workforce should be made up of part-timers. What all this means is that by the year 2000, one out of every three workers will be a part-timer or a temporary, compared with one out of six now.

Complicating all these plans is the reality of a rapidly aging workforce. Already subsidies, retaining incentives, or tax incentives are offered for firms continuing workers beyond normal retirement age or recruiting new employees from the ranks of the 55-to-64 age group.

COMPARATIVELY SPEAKING



The average Japanese family spends 8 hours and 15 minutes watching TV daily compared to 7 hours and 10 minutes the average American family spends.

Illustration by Diane Rosen

COMPARATIVELY SPEAKING

SOURCES

Most of the information found in this profile was taken from *The Tokyo Statistical Yearbook 1983* , which was compiled by the Tokyo Metropolitan Government. To order, write the Tokyo Municipal Governmnet, Liason and Protocol Section, International Communication Division, Bureau of Citizens and Cultural Affairs, The Editorial and Distribution Office, 5-1, Marunouchi 3-chome, Chiyoda-ku, Tokyo, Japan. *The Yearbook* costs 4000 yen, or about $25. Payment must be in yen.

A good source for current news and demographics about Tokyo is *The Tokyo Municipal News*, a quarterly newsletter published by the Tokyo Municipal Government. The back-page section, "Graphic View of Tokyo," often charts recently released demographic data. Other sections offer results of recent surveys on

continued on p. 12

Tokyo life and analyses of various consumer trends.

The Japan External Trade Organization (JETRO) is an excellent souce of information on Japan. "Japan's Market Profile" is the latest addition to the more than 200 informative publications available from JETRO. In addition, a 16mm PR film "The Japanese Consumer" has just been made available. For a full list of JETRO publications and ordering information, contact JETRO, 1221, Avenue of the Americas, New York, NY.

The best place to obtain demographic information about Japan is from the Statistics Bureau, Prime Minister's Office. The Japanese statistical system is one of the best in the world. For a list of publications and ordering information, contact Government Publications Service Center, 2-1, 1-chome, Kasumigaseki, Chiyoda-ku, Tokyo, Japan. *Denise Rusoff, Editor*

Correction

The first line in Tips on Trends in our February issue should have read, "After several years of economic austerity, during which incomes were cut by an average of 11 percent in relation to 1979, the new democratic government of President Sarney seems determined to get the Brazilian economy back on a pattern of steady growth."

FEATURE

Webster University Goes International

With campuses in several states and three countries, Webster University is not just another commuter college.

Total enrollment in 1985 was 6,321, at 38 sites around the world. Some 3,100 are at the St. Louis campus, another 1,000 are on international campuses and the remainder studying at facilities in five states and at more than a dozen military bases.

The move to serve military facilities began in 1974, when the Department of Defense asked the university to establish a campus at nearby Scott AFB, Illinois. There, Webster served military officers completing advanced degrees as part of their continuing education programs.

The program was successful and the Department of Defense requested other facilities be established so officers who were transferred to new duty stations could continue the program. Promotion of the program is handled by the military.

Webster became an international institution with the opening of a facility at a military base in Iceland.

In 1981, at the invitation of the Austrian government, it opened a facility in Vienna, to serve an English-speaking international community with undergraduate and graduate programs. The university also has campuses in Geneva, Switzerland and Leiden, the Netherlands. About two-thirds of the students are enrolled in undergraduate courses and a third in graduate programs. Programs include management, international affairs and politics and computer data management.

Most students are employees of international agencies or companies. Many students return to their native countries to hold executive positions. Others stay in Europe, working for multinational corporations.

Programs at the European sites are co-ordinated with each other and with programs at the Webster campus in St. Louis, allowing students to move from one site to another without disrupting the sequence of studies leading to a degree. Marketing and advertising of the European sites are handled through an office in Europe.

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